

AMENDED IN ASSEMBLY MAY 4, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 150**

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**Introduced by Assembly Member Smyth**

January 22, 2009

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An act to add ~~Section 6398 to~~ and repeal Section 6398 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 150, as amended, Smyth. Sales and use taxes: exemption: energy efficient products.

The Sales and Use Tax Law imposes a tax on *retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state of, or, and on the storage, use, or other consumption in this state of, tangible personal property purchased from a retailer for storage, use, or other consumption in this state.* That law provides various exemptions from ~~that tax~~ those taxes.

This bill would, *until January 1, 2015*, also exempt from ~~that tax during a qualified period, which would be defined as April 24 of each year beginning in 2010~~, those taxes, the sale of, including specified layaway agreements, and the storage, use, or other consumption of, energy efficient products, as defined, ~~including specified layaway agreements sold for home or personal use, on the first Saturday immediately following Earth Day, beginning in 2010.~~

*The Bradley-Burns Uniform Local Sales and Use Tax Law authorizes counties and cities to impose local sales and use taxes in conformity with the Sales and Use Tax Law, and the Transactions and Use Tax Law authorizes districts, as specified, to impose transactions and use*

*taxes in conformity with the Sales and Use Tax Law. Exemptions from state sales and use taxes are incorporated in these laws. Section 2230 of the Revenue and Taxation Code provides that the state will reimburse counties and cities for revenue losses caused by the enactment of sales and use tax exemptions.*

~~Counties and cities are authorized to impose local sales and use taxes in conformity with state sales and use taxes. Exemptions from state sales and use taxes enacted by the Legislature are incorporated into the local taxes.~~

~~Section 2230 of the Revenue and Taxation Code provides that the state will reimburse counties and cities for revenue losses caused by the enactment of sales and use tax exemptions.~~

This bill would provide that, notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for sales and use tax revenues lost by them pursuant to this bill.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 6398 is added to the Revenue and  
2 Taxation Code, to read:  
3 6398. (a) During a qualified period, there are exempted from  
4 the taxes imposed by this part the gross receipts from the sale in  
5 this state of, and the storage, use, or other consumption in this state  
6 of, energy efficient products.  
7 (b) For purposes of this section, all of the following apply:  
8 (1) “Energy efficient ~~products~~ *product*” means a product that  
9 meets or exceeds the applicable ENERGY STAR efficiency  
10 requirements developed by the United States Environmental  
11 Protection Agency and the United States Department of Energy  
12 *and that is for home or personal use.*  
13 (2) ~~“Qualified period” means the period beginning at 12:00 a.m.~~  
14 ~~on each April 24 and ending at 11:59 p.m. on each April 24, which~~  
15 ~~date annually occurs during the week of Earth Day. The first~~  
16 ~~qualified period begins on April 24, 2010.~~  
17 (e) ~~The exemption provided for by this section also includes~~  
18 ~~any of the following sales:~~

1 (2) “*Qualified period*” means the 24-hour period beginning at  
2 12:00 a.m. on the Saturday immediately following Earth Day,  
3 which occurs on April 22, and ending at 11:59 p.m. on that  
4 Saturday. The first qualified period shall be on Saturday, April  
5 24, 2010.

6 (c) For purposes of this section, a sale or purchase also  
7 includes:

8 (1) Layaway agreements entered into during the qualified period  
9 specified in paragraph (2) of subdivision (b) for which the  
10 purchaser has made a deposit of at least 10 percent of the sale price  
11 of the energy efficient product.

12 (2) The sale of an energy efficient product pursuant to an order  
13 placed by the purchaser and paid for in full during the qualified  
14 period specified in paragraph (2) of subdivision (b),  
15 notwithstanding the fact that delivery of the energy efficient  
16 product is made subsequent to the ~~period of the exemption~~ *qualified*  
17 *period*.

18 (d) This section shall remain in effect only until January 1, 2015,  
19 and as of that date is repealed.

20 SEC. 2. Notwithstanding Section 2230 of the Revenue and  
21 Taxation Code, no appropriation is made by this act and the state  
22 shall not reimburse any local agency for any sales and use tax  
23 revenues lost by it under this act.

24 SEC. 3. This act provides for a tax levy within the meaning of  
25 Article IV of the Constitution and shall go into immediate effect.